MEMORANDUM

TO: CANNABIS REGULATORY COMMISSION BOARD

FROM: CHRISTOPHER RIGGS, ACTING EXECUTIVE DIRECTOR

SUBJECT: REGULATION WAIVER REQUESTS

DATE: SEPTEMBER 9, 2026

BACKGROUND: Over the course of the prior months, adult use licensees and medicinal operators have submitted requests for the Commission to waive specific regulations. This memorandum will outline those specific requests, and will also provide recommendations.

AUTHORITY: Pursuant to N.J.A.C. 17:30-3.7(a) and N.J.A.C. 17:30A-7.11, The Commission, in accordance with the general purposes and intent of the Act and this chapter, may waive a regulatory requirement regarding the operations of a cannabis business or ATC, to the extent such waiver does not conflict with any other State law, if in the Commission's determination, such a waiver: 1. Is necessary to achieve the purpose of the Act; 2. Is necessary to provide access to cannabis items to consumers, or to provide access to patients who would otherwise qualify for the use of medicinal marijuana to alleviate suffering from debilitating medical conditions; and 3. Does not create a danger to the public health, safety, or welfare.

REQUESTS:

1. Requested Waiver of N.J.A.C. 17:30-7.17(d)(5)(iii)

Docket Number WR071- Restore NJ LLC ("Restore NJ"), a medical retail permit holder and Class 5 Retail license holder, requests a waiver of the regulatory requirement that a license applicant must pay a $100,000 medical cannabis dispensary expansion fee. Restore NJ instead asks the Commission to grant it a reduced or sliding-scale fee. Restore NJ asserts that its medical cannabis dispensary generated total sales of less than $100,000 in 2025 and less than $50,000 over the last 7 months. Restore NJ argues that payment of the $100,000 fee imposes financially hardship and does not promote the cannabis industry in New Jersey, as it disproportionately affects smaller operators, social equity businesses, and businesses serving underserved communities. Restore NJ further argues that its waiver request achieves the purpose of the Jake Honing Compassionate Use Medical Cannabis Act. Additionally, Restore NJ asserts that granting its waiver request will

enable it to quickly open its Class 5 dispensary, expand its hours, serve more medical patients, and better serve the community.

RECOMMENDATION FOR WR071- [redacted]

2. Requested Waiver of N.J.A.C. 17:30A-7.2 and N.J.S.A. 24:6I-7d.(1)

Docket Number WR074- Niche, LLC ("Niche"), a medical cultivator permit holder, requests a waiver of the statutory and regulatory criminal background check and fingerprint requirements as it pertains to non-owners, non-officers, and non-director employees. Pursuant to N.J.A.C. 17:30A-7.2, "each principal, director, board member, owner, and employee shall provide written consent to submit to a criminal history record background check pursuant to N.J.S.A. 24:6I-4 and shall comply with procedures established by the Division of State Police pursuant to N.J.A.C. 13:59 for obtaining readable fingerprint impressions." Niche is not seeking a waiver for owners, directors, officers, significantly involved persons, or individuals whom the Commission determines should remain subject to the background check.

Niche argues that the Jake Honig Compassionate Use Medical Cannabis Act ("Act") gives the Commission the authority to waive the statutory requirement and notes that through a waiver granted by the Commission on May 14, 2026, employees and volunteers of adult use license holders are no longer subject to the criminal background check and fingerprint requirements. Niche argues that there is no public safety rationale for requiring medical employees and volunteers to undergo a criminal background check and fingerprinting when employees and volunteers performing substantially identical work at an adult use cultivation facility are exempt

from these requirements. Niche further argues that maintaining separate onboarding systems is difficult to justify when a license entity conducting medial and adult-use cultivation at the same facility, where employees and volunteers perform the same work, access the same control areas, handle the same plant material, are subject to the same surveillance, inventory-control, access control, and employee conduct requirements. Niche states that due to the nature of cultivation work, staff turnover is high, and the criminal history background checks and fingerprinting requirement delays its ability to hire new staff and impedes its ability to maintain adequate staffing, thereby affecting its operations and regulatory compliance. Finally, Niche argues that its waiver request advances the purpose of the Act, protects patient access, promotes parity between the medical and adult use markets and does not create a danger to the public health, safety, or welfare.

RECOMMENDATION FOR WR074- [redacted]

[redacted]